

EXHIBIT K-2

1 Shugart - direct

2 She said, yes, that the show must
3 be rigged. She said -- it is in here.

4 "So I knew the show must be
5 rigged. I decided at that moment to distance
6 myself from an organization who did not
7 allow for fair play."

8 Q. Then am I correct in the last line
9 she said, "I will not encourage anyone to
10 compete in a system that in my opinion and
11 from what I witnessed is dishonest"?

12 A. Yes. That is where she first said
13 that.

14 Q. Is it fair to say that other
15 people viewed her Facebook posting besides
16 yourself?

17 A. Yes, many, many people did.

18 Q. That was all reflected on her
19 Facebook pages?

20 A. Yes. Many people. There is a
21 little bit of a ground swell. Many, many
22 people started going to her Facebook page
23 and specifically to read what she was
24 writing.

25 Q. Was that it or did Ms. Monnin say

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2 anything else publicly about the
3 organization?

4 A. No. She -- this sort of picked up
5 steam and then she decided to go on the
6 Today show.

7 Q. What did you do -- what did the
8 Miss Universe organization do when you
9 learned that she was planning to go speak on
10 the Today show?

11 A. Prior to that we had offered to
12 speak with her and go over the process like
13 we did today just to explain or answer any
14 questions but I -- but we did hear she was
15 going on the Today show and we reminded her
16 of her obligations under the contract not to
17 disparage but then by the same token we also
18 wanted to be able to -- we were willing to
19 talk to her and answer any questions that
20 she might have.

21 Q. You say "explain to her," but you
22 had already told her how the judging worked
23 and how the Ernst & Young auditing worked
24 and how the system operated?

25 A. Yes. Obviously, she had been told

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2 that beforehand.

3 When I briefed all of the
4 contestants and I sit with the contestants,
5 answer any questions they have at that
6 point.

7 Q. After she made these Facebook
8 postings did she take you up on your offer
9 to answer further questions?

10 A. No, not at all.

11 Q. Let me direct your attention to
12 Exhibit 19.

13 By the way, we offer Exhibit 18.

14 THE ARBITRATOR: Exhibit 18 is
15 admitted.

16 (Claimant's Exhibit 18 received in
17 evidence)

18 BY MR. BALBER:

19 Q. Exhibit 19.

20 What is Exhibit 19?

21 A. This is a letter or an e-mail from
22 our state director's attorney to Sheena.

23 Q. What does the letter say?

24 A. That they are reminding her of her
25 obligations as Miss Pennsylvania USA to both

25

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2 her state director and to Miss Universe,
3 that she would be in breach of contract if
4 she disparaged the organization.

5 Q. This e-mail was sent when?

6 A. This was on Thursday, June 7.

7 Q. A couple days after the pageant?

8 A. Yes, four days after the pageant.

9 Q. Did Ms. Monnin go on the Today
10 show anyway?

11 A. Yes, she did.

12 MR. BALBER: If I can open the
13 laptop for a minute.

14 (DVD played)

15 BY MR. BALBER:

16 MR. BALBER: We offer Exhibit 20
17 which is the DVD.

18 THE ARBITRATOR: Exhibit 20 will
19 be admitted.

20 (Claimant's Exhibit 20 received in
21 evidence).

22 MR. BALBER: Exhibit 21 is a
23 transcript of the interview.

24 THE ARBITRATOR: 21 is admitted.

25 (Claimant's Exhibit 21 received in

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2 evidence)

3 BY MR. BALBER:

4 Q. Ms. Shugart, just a couple of
5 things from Ms. Monnin's Today show
6 interview.

7 She stated in that interview that
8 her goal was to pursue the truth.

9 A. Yes.

10 Q. Are you aware of anything that Ms.
11 Monnin has done to pursue the truth since
12 her June 8, 2012 Today show interview?

13 A. Nothing.

14 Q. Has she contacted you?

15 A. No. And we have offered -- we
16 offered throughout this process
17 confidentially to talk to her but if she
18 really wanted to find out the truth she has
19 done nothing except make her comments
20 publicly and always attacking the
21 organization.

22 Q. She stated in her interview that
23 her basis for claiming the pageant was
24 rigged was that Miss Florida saw -- claimed
25 she saw some list?

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2 A. Yes.

3 Q. And you heard that Miss Florida
4 said that she was joking, right?

5 A. Yes.

6 Q. Is it true that Ms. Monnin
7 continued to claim the pageant was rigged
8 after Miss Florida said that she was joking?

9 A. Yes.

10 THE ARBITRATOR: Do you know who
11 spoke to Miss Florida?

12 THE WITNESS: Do I know who spoke
13 to Miss Florida?

14 THE ARBITRATOR: With the comments
15 to Ms. Monnin?

16 THE WITNESS: A lot of people
17 spoke to Miss Florida. I spoke to
18 Miss Florida to find out --

19 THE ARBITRATOR: Can you set forth
20 what she actually said?

21 THE WITNESS: Yes.

22 She was actually shocked when this
23 first came up. I think she was a little
24 surprised that it was attributed to a
25 comment she made and she said that

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2 anything that she saw didn't have --
3 that she saw anything, it was a
4 rehearsal backstage, it didn't even have
5 the name of the winner or didn't have
6 the top five and she was very, very
7 surprised and she said repeatedly to me
8 that she thought Sheena was doing this
9 to try to get publicity.

10 THE ARBITRATOR: She said she
11 didn't see a list with the top five?

12 THE WITNESS: No. She
13 categorically denied that.

14 MR. COHEN: I spoke to her as
15 well.

16 THE ARBITRATOR: You are not
17 testifying.

18 MR. COHEN: I just wanted you to
19 know.

20 THE ARBITRATOR: Okay.

21 THE WITNESS: She was absolutely
22 angry that, you know --

23 THE ARBITRATOR: What did she say
24 she actually said to Ms. Monnin?

25 THE WITNESS: She said it was an

1 Shugart - direct
2 offhand comment.

3 I wasn't there but her discussion
4 with me was that it was -- that she saw
5 a rehearsal list or something backstage.

6 It was really more of a remark, I
7 think, a lot of discussion that was
8 going on backstage.

9 BY MR. BALBER:

10 Q. Just to be clear, Miss Florida
11 told you that the list she saw did not
12 contain the actual five finalists?

13 A. Correct. Absolutely.

14 Q. In fact, the winner, Miss Rhode
15 Island, was not on the list at all, right?

16 A. Correct.

17 Q. And Miss Florida told you that?

18 A. Yes. That she said directly to
19 me. That is why she was so surprised that
20 this was -- that her name was even being
21 used in this.

22 THE ARBITRATOR: So then according
23 to her when the five names were called
24 out they didn't correspond to the people
25 on the list.

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2 THE WITNESS: Not at all. She
3 wasn't even looking for that because she
4 never even considered that there was
5 a -- that the list --

6 THE ARBITRATOR: Did you ask her
7 whether she ever gave the names of the
8 people on the list to Ms. Monnin?

9 THE WITNESS: I don't recall if I
10 ever did.

11 I probably didn't because she said
12 that the list she saw didn't have the --
13 have the top five on it so I probably
14 didn't even go further than that.

15 BY MR. BALBER:

16 Q. You stated that -- sorry. Strike
17 that.

18 Ms. Monnin was on the Today show.
19 Is it typical for Miss USA to be on the
20 Today show?

21 A. Yes.

22 Q. Was Miss Rhode Island, the 2012
23 Miss USA, on the Today show?

24 A. No, she was not.

25 Q. Why not?

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2 A. Because Miss Pennsylvania was on
3 the Today show. I think she ended up
4 getting the spotlight.

5 THE ARBITRATOR: Did you happen to
6 ask her whether she observed Monnin
7 react at all when the top five were
8 called, the names?

9 THE WITNESS: I didn't. I think
10 my concern for her at that point was
11 more that she -- her name was being
12 used.

13 Obviously, Miss Florida has wanted
14 to be as far away from this as possible.
15 She was shocked her name was being used
16 in this.

17 The one quote I remember her
18 saying to me is, this is ridiculous.

19 And I just wanted to make sure,
20 too, I didn't want the media to start
21 pursuing Florida because it seemed like
22 there was a frenzy that was going on.

23 THE ARBITRATOR: Was Florida in
24 the top 16?

25 THE WITNESS: No, which is to the

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2 point earlier.

3 If Florida did in fact see a list
4 that morning as Sheena said she did then
5 Florida went into the pageant knowing
6 she wasn't going to go forward, wasn't
7 on the top 16 list and seemed to be fine
8 with that before the show.

9 That is just so illogical.

10 BY MR. BALBER:

11 Q. To be really clear, so that the
12 point is not lost, during your conversations
13 with Miss Florida after the fact she told
14 you that she never conveyed to
15 Miss Pennsylvania a list of five finalists,
16 right?

17 A. Correct.

18 Q. At all, right?

19 A. Five names, no, she didn't.

20 Q. Whatever list she did see did not
21 contain the identities of the actual five
22 finalists?

23 A. Correct. Absolutely.

24 Q. And the actual winner, Ms. Rhode
25 Island, was not on that list either?

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2 A. Correct.

3 Q. After Miss Florida came out
4 publicly both to you and obviously to the
5 Today show and said -- Miss Florida came out
6 publicly to you and the Today show saying I
7 never saw such list, did Ms. Monnin change
8 her story?

9 A. No, she did not.

10 Q. Ms. Monnin continued to perpetuate
11 this false statement that the competition
12 was rigged, right?

13 A. Correct.

14 Q. She stated during her Today
15 interview that she received some mediation
16 papers.

17 Did you hear her say that?

18 A. Yes.

19 Q. Did the Miss Universe organization
20 try to mediate with her pursuant to the JAMS
21 rules?

22 A. Yes, we did.

23 Q. What happened in that regard?

24 A. She didn't respond. She -- I know
25 I can't give my opinions but I just, she

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2 didn't respond. I think --

3 THE ARBITRATOR: At that point was
4 she claiming to be represented by
5 counsel?

6 THE WITNESS: Yes. She had she
7 did have an attorney.

8 BY MR. BALBER:

9 Q. The same attorney?

10 A. Yes.

11 Q. The same attorney who was
12 contacted about the mediation is the same
13 attorney who is representing her today, is
14 that right?

15 A. Yes. Everyone was reached out to
16 and her father was reached out to by I think
17 the state director and it seemed like the
18 only forum in which she would want to
19 discuss anything would be the public one in
20 my opinion.

21 Q. Again, despite her desire to
22 pursue the truth she has made no
23 inquiries --

24 A. No effort to pursue the truth
25 whatsoever because she would pursue the

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2 truth starting with us, with Ernst & Young,
3 and -- sorry.

4 This -- it just gets me so angry
5 because I do feel she is getting what she
6 wanted out of this.

7 She -- it didn't -- it doesn't
8 matter what she did to this organization, it
9 doesn't matter, it is truth be damned and
10 all she wants is the adulation and fame she
11 got in any way she could.

12 It does speak volumes that she
13 ended up getting the slot on the Today show
14 that would normally go a Miss USA title
15 holder, someone who won the pageant and all
16 the press is gone.

17 The media was all about
18 Miss Pennsylvania USA, not about Miss USA.

19 Q. Let's turn to damages. Has --

20 THE ARBITRATOR: So, in your view,
21 was she simply fabricating the whole
22 story about being told of the list?

23 THE WITNESS: Yes. There is
24 absolutely no way that somebody came to
25 her, gave her the five, the top five in

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2 order that they were called, but she is
3 using and has said over and over again
4 is her proof that we are a fraudulent
5 system, that the 60-year history that we
6 built up has all been a fraud and she
7 has the proof.

8 There is absolutely no way that
9 somebody went to her and gave her the
10 top five in the order they are called
11 particularly since I know how the system
12 is done and why would -- with Ernst &
13 Young -- it is just an impossible thing.

14 BY MR. BALBER:

15 Q. Not only do you know how the
16 system is done, she knows how the system is
17 done?

18 A. She knows how the system is done.
19 I feel that she is beyond reproach.

20 She can do whatever she wants and
21 there is really -- and just by ignoring us
22 she -- that will go away. It doesn't matter
23 the damage that she has done.

24 THE ARBITRATOR: Was any effort
25 made to find out whether there was such

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2 a rehearsal list of five people?

3 THE WITNESS: There was -- we knew
4 that the rehearsal lists that were done,
5 there -- the rehearsal list did not have
6 the five that was even close.

7 THE ARBITRATOR: It just -- did it
8 have five names?

9 THE WITNESS: For the final five
10 there usually are four names on the
11 rehearsal list.

12 They don't have anybody that is in
13 as a winner.

14 THE ARBITRATOR: That didn't
15 correspond --

16 THE WITNESS: Not at all.

17 Again, there are only, that is not
18 something left lying around backstage.

19 We rehearse exactly as we do
20 everything on the show because those
21 are -- just as we rehearse every camera
22 move, we rehearse how things happen on
23 the show as well.

24 I used to do the Oscars for years.
25 We always held the rehearsal envelopes

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2 and would never leave those lying around
3 backstage.

4 THE ARBITRATOR: Who is doing the
5 rehearsing using that list? These are
6 your -- the people who participated in
7 the -- for the pageant.

8 THE WITNESS: For the pageant,
9 yes.

10 THE ARBITRATOR: Representatives.

11 THE WITNESS: The contestants
12 themselves would be so we --

13 THE ARBITRATOR: So you go through
14 a rehearsal where names are called.

15 THE WITNESS: Yes, and then -- but
16 we never announce a winner at rehearsal.
17 We just pick our choreographer as the
18 winner.

19 We do everything in the process.
20 The random 16 are picked before the
21 dress rehearsal.

22 There are people that sit in the
23 judges seats. They use this key pad and
24 they all put in scores because it is a
25 way we make sure our system is working

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2 properly.

3 Those scores go to the back. They
4 print out the scores from the rehearsal
5 and Tal does the exact process.

6 We are all rehearsing our
7 different jobs during the show. He
8 makes the cards as he goes during
9 rehearsal so it is all the process.

10 BY MR. BALBER:

11 Q. And Ms. Monnin was present for the
12 rehearsal?

13 A. Yes.

14 Q. She saw the 16 getting picked?

15 A. Yes.

16 Q. The rehearsal 16, right?

17 A. Yes.

18 Q. And she understood that was
19 rehearsal?

20 A. Yes.

21 Q. She saw the fake judges doing
22 their thing, right?

23 A. Yes.

24 Q. And she saw the 16 reduced to
25 another number, right?

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2 A. Yes.

3 Q. And she saw everybody
4 participating in it in a rehearsal setting
5 before the actual pageant?

6 A. Yes.

7 THE ARBITRATOR: Is there anybody
8 who could speak to who the four or five
9 names were that were called as part of
10 the rehearsal?

11 MS. BERNER: We spoke to our stage
12 managers and everything to get the
13 lists.

14 As Paula was just explaining, the
15 16 are chosen for the rehearsal but then
16 it is actual judging that happens,
17 right?

18 THE WITNESS: Right.

19 MS. BERNER: Nobody knows for the
20 rehearsal who the five are. Do you
21 understand?

22 THE ARBITRATOR: There is no five
23 person --

24 MS. BERNER: There are but there
25 is never a list, no, because it actually

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2 happens in real time.

3 THE WITNESS: Right, that we
4 actually we have real judging going on.

5 THE ARBITRATOR: You don't
6 rehearse the top five?

7 THE WITNESS: No, but it would be
8 happening in real time.

9 BY MR. BALBER:

10 Q. There is no list is the point?

11 THE ARBITRATOR: Well, let's get
12 this straight.

13 I thought I heard that the list of
14 the top five didn't correspond?

15 THE WITNESS: If there is
16 anything, because whoever the five were
17 that rehearsed, the final five that
18 rehearsed, they were not the final five
19 that were actually the five in the
20 telecast.

21 THE ARBITRATOR: The five that
22 rehearsed, their names didn't
23 necessarily appear on a list.

24 THE WITNESS: Honestly, that is
25 not my --

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2 MS. BERNER: There is a million
3 rehearsals going on all during the day.
4 First one will call out five states,
5 then five more.

6 THE ARBITRATOR: When you
7 testified they didn't correspond it was
8 based on the reality?

9 THE WITNESS: Correct.

10 THE ARBITRATOR: Okay.

11 THE WITNESS: Really, the first,
12 in hearing from Miss Florida that just
13 being shocked that it was even any
14 comment that she made was being used,
15 she just thought it was ridiculous.

16 THE ARBITRATOR: Did she actually
17 tell you what she did say to Ms. Monnin?

18 THE WITNESS: Not -- just really,
19 oh, that it was not really -- it was in
20 that moment backstage that she may have
21 made an offhand remark about seeing a
22 list but it wasn't something that she
23 had -- that she talked about the top
24 five.

25 I don't think she really said that

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2 much honestly. It was more -- she was
3 more concerned about the fact that she
4 was being used, about being used for
5 some bigger game in her mind. That was
6 it. That was all we really talked
7 about.

8 BY MR. BALBER:

9 Q. Now you confused me for a second.
10 Is there actually a top five called out
11 during rehearsal?

12 A. During rehearsal there is a top
13 five called out.

14 Q. Ms. Monnin would have been present
15 for the top five being called out?

16 A. Yes.

17 MR. COHEN: Ms. Monnin could have
18 been --

19 THE WITNESS: She might have been.
20 I don't know.

21 MR. BALBER: Right.

22 THE WITNESS: I can tell you going
23 forward I am always going to be acutely
24 aware of it but in the time it is
25 rehearsal so you don't really think

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2 about it because it just goes back to,
3 you know, it is an impossibility.

4 It is just an absolute
5 impossibility.

6 Everybody knows the process and
7 for her to continue to say that she
8 watched in order -- oh, and that she
9 watched in the order and the order was
10 the same and particularly when she
11 sounds here on the Today show sounding
12 very calm about it, meanwhile I happen
13 to know that the start -- it was within
14 minutes after the top 16 announced, that
15 she was sending the e-mails, this is
16 f-ing rigged.

17 That was probably within ten
18 minutes but she is sitting here saying
19 that I decided to wait and see.

20 BY MR. BALBER:

21 Q. The important point to make here I
22 think what you are saying is while she is
23 claiming on the Today show that her basis
24 for contending the pageant was rigged was
25 having seen a list of the top five in her

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2 text to the state director sent minutes
3 after the top 16 were selected she was
4 claiming that the selection of the top 16
5 was rigged?

6 A. Correct.

7 THE ARBITRATOR: That was
8 chronologically before even Miss Florida
9 spoke with her about this?

10 BY MR. BALBER:

11 Q. Exactly. That was within, 15
12 minutes.

13 A. Yes. It had the to be within --
14 9:38.

15 MR. COHEN: Or less.

16 MR. BALBER: Did we address your
17 questions?

18 THE ARBITRATOR: Yes.

19 BY MR. BALBER:

20 Q. Can we move to damages,
21 Ms. Shugart?

22 A. Yes.

23 Q. Did Ms. Monnin -- strike that.

24 Have Ms. Monnin's statements had
25 any kind of negative economic impact on the

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2 Miss Universe organization?

3 A. Yes.

4 Q. In what ways?

5 A. Several ways.

6 Probably the most immediate for,
7 as I mentioned earlier, the bread and butter
8 of our company are our host sites and up
9 until that point we were very far down the
10 road in discussions and negotiations with
11 the gulf coast.

12 We come in and we give a boost to
13 the tourism industry.

14 My family lives on the gulf coast
15 and my cousin works for a senator in
16 Alabama. I know how hard they were hit.

17 This is the one year the
18 opportunity is there because of all that
19 they have -- they suffered through the oil
20 spill that there is a lot of promotional
21 dollars there.

22 Obviously there is a very big
23 sponsor that is running a lot of commercials
24 and put over a \$100 million campaign out
25 there with an idea to get tourism back to

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2 the gulf coast.

3 I met with all of the different
4 Congressional delegations, met with the
5 private sector in Biloxi and the different
6 states to bring Miss Universe to the gulf
7 coast this December.

8 Q. What would have been the economic
9 benefit to the Miss Universe organization
10 doing that?

11 A. It would have been a
12 \$5 million site paid.

13 Q. Paid to the organization in
14 exchange for having the pageant in the gulf
15 coast?

16 A. Yes, and giving the worldwide
17 exposure.

18 Two things.

19 We bring the worldwide exposure.
20 We are a worldwide commercial and also the
21 fact that we would be bringing tourists.

22 There are people that come to the
23 Miss Universe pageant no matter where it is.
24 If it is 36 hours to get to the jungle in
25 Vietnam, they are going to come to the

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2 pageant so we would be an infusion of
3 tourism dollars into the community.

4 Q. When were you having the
5 discussions about that \$5 million gulf coast
6 site fee?

7 A. I was having them call the week
8 after the pageant.

9 Q. When were the discussions first
10 being had?

11 A. For the months leading up to the
12 pageant.

13 Q. There was a potential deal in
14 place for this site fee?

15 A. Yes. We had secured the hotel and
16 the venue, all of the goods and services,
17 because you have to feed 90 contestants and
18 hotel rooms over the month and all of that.

19 We had secured all of that. All
20 of those deals were in place and then it was
21 just the title sponsorship coming in.

22 Q. What happened to that potential
23 \$5 million deal?

24 A. Well, I had an initial call the
25 week after the show.

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2 My followup call and the deal
3 started to cool very fast. The big sponsor
4 obviously indicated -- we had spoken a few
5 times before the show. We were going talk
6 after the telecast.

7 They thought the telecast -- the
8 first thing they thought, the telecast was
9 great and then they asked me about the
10 rigging scandal and I said -- I said for
11 what it was and then they said, obviously we
12 are very concerned about image, obviously
13 they had to deal with the oil spill and they
14 were very concerned about their image in the
15 public and the reason for sponsoring
16 something like that would be all about their
17 image, their corporate image, and they said
18 that they were going talk to their PR
19 department and they would get back to me and
20 it was just everything just stopped.

21 THE ARBITRATOR: This is a
22 corporate sponsor?

23 THE WITNESS: Yes.

24 MR. RALBER: There is a little
25 concern about identifying the name of

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2 the corporate sponsor. Can we do it --

3 THE ARBITRATOR: Who would
4 actually pay the site fees?

5 THE WITNESS: In this case it
6 would have been the corporate sponsor.

7 There is a corporate sponsor that,
8 they currently have over a
9 \$100 million ad campaign for the gulf
10 coast running right now as a make good
11 for damage they may have inflicted on
12 the gulf coast.

13 THE ARBITRATOR: Right.

14 THE WITNESS: This seemed like a
15 perfect opportunity for them because all
16 of the congressional delegations, all of
17 the people in the community had all
18 voiced their support and desire to have
19 the pageant there so this would have
20 gone a long way for them in the
21 community to have supported the event
22 and since everything was in place it
23 would have been --

24 THE ARBITRATOR: You never heard
25 back from them?

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2 THE WITNESS: No. We spoke. We
3 spoke afterwards.

4 We had very positive
5 conversations. It looked like we were
6 ready to formalize and right after this
7 they expressed their concern about image
8 and at that point I think it was my
9 liaison who said that things were not
10 looking good, that -- because of the
11 image issue.

12 BY MR. BALBER:

13 Q. And what happened?

14 A. Then it went away, yes.

15 Q. Where is the pageant being held
16 instead?

17 A. We are actually going back to Las
18 Vegas.

19 Q. Are you receiving a site fee?

20 A. No. We are not.

21 Q. So had the gulf coast deal closed
22 you would have gotten \$5 million and instead
23 you are getting nothing?

24 A. Correct.

25 Q. Any other -- you said there were

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2 several categories of economic harm the
3 Miss Universe organization suffered.

4 What else is there?

5 A. The two big ones, the other, aside
6 from the host site, almost immediately we,
7 our state directors, our franchisees who are
8 all having their state pageants right now,
9 started to express concern because --
10 usually, after the Miss USA pageant usually
11 the buzz after the pageant and the crowning
12 of the winner and when Miss USA goes on all
13 these, what she is on the Today show or she
14 is on Live with Kelly, that really plays to
15 all of our state directors.

16 That is when people really start
17 to apply to become the next Miss State title
18 holder. That is a big moment for us as far
19 as recruitment goes.

20 The media tour wasn't what we
21 thought it was going to be. Our state
22 directors started voicing concern about
23 being able to recruit contestants.

24 O. We will hear from one of them
25 shortly but what has been your understanding

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2 of what has happened?

3 A. My understanding is the numbers
4 are down, for those where the numbers are
5 close even, they have had to spend a lot
6 more marketing dollars to try to get there,
7 and, instead of the first conversation being
8 about what the pageant does and it really
9 does -- it provides a lot of great skills,
10 public speaking and a lot of opportunities.

11 It provides these young women the
12 first conversation our state directors are
13 having now with parents, why should they
14 compete if it is rigged.

15 Some are better equipped probably
16 than others are having to answer this
17 question while they are talking to concerned
18 parents who are being asked to put up fees
19 for their daughters to compete and it has
20 been very problematic for them.

21 Q. In addition to that the gulf coast
22 site fee and the reduction in the number of
23 women who were applying to the state
24 directors are there any other economic
25 factors you suffered?

1 Shugart - direct

2 A. Yes. Right now -- the other thing
3 we were discussing at that point, we were
4 going to do a long term deal with our title
5 sponsor, our hair care sponsor, Farouk, who
6 is a \$2 million sponsor for us.

7 Going into the pageant we were
8 discussing signing a long term deal and that
9 deal has not -- their initial -- they
10 initially reached out to us after the show
11 to ask about the rigging scandal.

12 They said they didn't believe it
13 but again it is all about public perception
14 versus anything else.

15 The one reason we are having a
16 beauty brand wants to be our sponsor is
17 because they are going to reach young women
18 that are going to be brand loyal and use
19 their products forever and on our grass
20 roots level they want to reach out to them.
21 That is why you sign off with us.

22 If all of a sudden you are signing
23 on to a brand that it is not about beauty
24 products you are signing on to a brand that
25 might be about rigging and fraudulent, it

1 Shugart - direct
2 changes the entire message of why somebody
3 would want to be your sponsor.

4 So the first thing that happened
5 is we were also -- we had aside from our
6 television show sponsorship with Farouk we
7 were contracting -- we did two magazines for
8 them, a \$400,000 deal, \$200,000 per magazine
9 if they send international for their
10 distribution.

11 The very first thing they said --
12 we had just finished the first magazine.
13 They said they didn't want to do the second
14 one.

15 THE ARBITRATOR: Who is this?

16 THE WITNESS: Farouk, our hair
17 care sponsor.

18 In recent weeks it is hopeful that
19 we are going to be doing the second
20 magazine but everything that should have
21 been a no brainer for us, it has been
22 flying people to Houston to meet with
23 them, we still don't have the multiyear
24 deal that we thought we had when we were
25 going into the Miss USA pageant.

1 Shugart - direct

2 We thought it was going to be very
3 easy, formal -- the deal points were
4 already in place and we still don't have
5 a deal done.

6 BY MR. BALBER:

7 Q. Any other sponsors that raised
8 issues about the rigging?

9 A. Yes. Australian Gold.

10 Q. Who is Australian Gold?

11 A. This was a first time sponsor.
12 They are our sun screen sponsor.

13 They are launching a big campaign
14 to -- in the U.S. market and obviously we
15 play right to their demo and that is a very
16 easy sponsorship, that is a million dollar
17 sponsor.

18 We have not re-signed with them at
19 this point. We are going to -- they are
20 their contract was for USA and Universe and
21 I said to them, obviously they had an
22 obligation to be a part of the universe and
23 we are doing whatever we can to make up --
24 to really give added value for their
25 participation.

1 Shugart - direct

2 Q. Did Australian Gold also raise an
3 issue about the rig allegations?

4 A. Without a doubt, the first thing
5 we had to do after the show, this has come
6 up a few times with our sponsors.

7 I don't blame them because if I
8 were on their side and I am trying to decide
9 what I am affiliating my brand with and what
10 I want to sell my brand to, if you Google
11 this, the first thing that comes up with
12 Miss USA is the scandal and that is not what
13 you want to have your brand necessarily
14 affiliated with.

15 That is why I am so frustrated
16 with this because there is not a doubt in my
17 mind that she knew she was wrong, she didn't
18 care, because if she really cared she would
19 have listened, she would have reached out or
20 answered when we said we are happy to talk
21 about this and explain.

22 She didn't care because that
23 wouldn't have been the road to the publicity
24 she wanted.

25 And for her to do this, just throw

1 Shugart - direct
2 a grenade there and we have to pick up the
3 pieces, and this was not part of our
4 business plan.

5 THE ARBITRATOR: I meant to ask
6 you this.

7 Were any statements made after the
8 Today show broadcast?

9 THE WITNESS: She did post some
10 things on her Facebook and -- but
11 nothing as far as -- nothing as far as
12 reaching out and trying to find the
13 truth.

14 We -- it is my understanding that
15 she now has a fan page on Facebook where
16 she will periodically make comments.

17 BY MR. BALBER:

18 Q. The subsequent Facebook postings
19 were along the lines of, you know, thank you
20 all for your support, we are still looking
21 for an answer. You know, thanks for
22 standing by me.

23 A. I am standing up for truth and
24 for -- it was basically -- and she had a
25 strong -- she had this following and I think

1 Shugart - direct

2 she thought it would last forever.

3 I think sometimes the delusion of
4 people don't realize the 15 minutes of fame,
5 after 15 minutes people get bored and aren't
6 necessarily building you up as much as they
7 used to but she would definitely post I am
8 standing up for truth and justice despite
9 everything that was shown to the contrary.

10 Q. Just before we forget can we look
11 at Exhibits 24 and 25 and tell us what they
12 are?

13 A. Yes. That is our contract with
14 Australian Gold.

15 Q. That was for 2012?

16 A. Yes.

17 Q. That has not been renewed?

18 A. No. We have the Miss Universe
19 pageant and my hope is they will be so happy
20 with the Miss Universe pageant that we can
21 convince them to do next year.

22 Q. What is Exhibit 25?

23 A. The Farouk Systems contract.

24 Q. This is the 2012 Farouk
25 sponsorship contract?

1 Shugart - direct

2 A. Yes.

3 Q. Again, they raised concerns about
4 the rigging allegations, right?

5 A. Yes.

6 Q. This has also not been renewed
7 right?

8 A. Yes. They have not been renewed.
9 And.

10 THE ARBITRATOR: Wouldn't it be
11 more routine to do that in the early
12 part of 2013?

13 THE WITNESS: No. Actually, for
14 Farouk, we were really looking to do a
15 multiyear deal that we thought we would
16 announce right after Miss USA with an
17 eye to possibly do some licensing down
18 the road and doing Miss Universe line of
19 hair care products.

20 All of that has been tabled at
21 this point.

22 BY MR. BALBER:

23 Q. Is it fair to say that even though
24 these contracts were dated in early 2012
25 they are negotiated and agreed to long

1 Shugart - direct

2 before that?

3 A. Yes. This contract was formalized
4 in February but we had been talking about
5 what we would do in July of 2011.

6 We were pretty much -- and then we
7 were fine tuning it.

8 Just one thing to add. Farouk has
9 been a judge for us in the past so he
10 knows -- he knows without a doubt that the
11 pageant is not rigged. He knows the
12 process. He knows how serious we take it.

13 For his team it is not about -- it
14 goes against the perception out there and we
15 are a brand that is no longer standing up
16 for everything that we are built on.

17 That is all we have. All we have
18 is our name.

19 We don't sell cars, we don't sell
20 wrenches. We sell our name.

21 And if the Miss Universe name
22 doesn't mean what it has been built up over
23 the last 60 years then it is nothing.

24 This is the tip of the iceberg. I
25 don't want to be here today but she -- and

(41)

1 Shugart - direct
2 in in my opinion she maliciously did this.
3 she had to have known by Friday that what
4 she was saying was wrong.

5 I am certainly sure somebody --
6 she knows enough pageant people around her
7 who I am sure were telling her this is
8 impossible and reminding her of that but
9 because her Facebook had started, because
10 she was starting to get this ground swell of
11 publicity, I think she didn't care. It
12 didn't matter.

13 She even says on the tape that she
14 knows this is a serious thing and can hurt
15 our reputation. She admits that and she
16 says it but she doesn't care that it is so
17 serious, the damage that it can do to us.

18 She acknowledges the damage but
19 she doesn't care. It is for the other women
20 coming through the system that might not
21 be -- it makes me so angry because we are
22 the ones that are picking up the pieces
23 here.

24 Our franchise director who had a
25 pageant last night flew here from South

1 Shugart - direct

2 Dakota. He has seven states.

3 He is here because he is trying to
4 stop the damage. I feel the responsibility
5 to all of the people in this company.

6 I am sorry I am on a diatribe. I
7 am sorry. I am just so angry.

8 THE ARBITRATOR: Getting back to
9 the gulf coast sponsor, how specific had
10 the negotiations gotten prior to the
11 contest?

12 THE WITNESS: Well, we had -- the
13 big things to get into place were the --
14 the hard part is the logistics, the
15 venue and place to hold it, the hotels,
16 the meals, all of those different things
17 in order to be able to conduct the
18 event.

19 Then at that point it was really
20 at the point of, okay, we have got
21 probably three or four million in barter
22 all set there to go.

23 The big thing is who is the
24 corporate sponsor that will help pay for
25 part of the production. That was just a

1 Shugart - direct
2 question of writing the check.

3 Everything there discussion-wise
4 looked great. Everybody in the
5 community had reached out to the
6 corporate sponsor.

7 Look, you are spending hundreds of
8 millions. This 5 million piece would go
9 a long way to really push and help our
10 community especially since the pageant
11 was in December because that is the
12 hardest month for tourism in the region.

13 So, I had every indication
14 everything was very, very positive and
15 really it was just going to be a
16 formality at that point.

17 BY MR. BALBER:

18 Q. Just to be clear on that, all the
19 logistical stuff you testified was already
20 done?

21 A. Yes. We had been down a couple of
22 times and had everybody on board.

23 Q. The only piece missing was the
24 final agreement with the corporate sponsor
25 to pay the 5 million?

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1 Shugart - direct

2 A. Yes.

3 Q. Your understanding as of the date
4 the Miss USA pageant took place was that
5 that deal was going to happen?

6 A. Yes.

7 Q. In the aftermath of the allegation
8 by Ms. Monnin that deal fell apart and the
9 statements made to you were that they were
10 concerned about the reputation issues?

11 A. Yes. And I want to be clear.
12 They said "image" to me.

13 They didn't go -- we didn't go
14 into detail because they were also very,
15 very, it is a corporate group.

16 They are very, very careful about
17 how they choose their words and it is, you
18 know, we are very image conscious right now.
19 Let me send it back to PR which was
20 something, it was just a complete --

21 THE ARBITRATOR: When they raised
22 the image concern was it raised in the
23 context of about the allegations?

24 THE WITNESS: Yes. It was
25 something like it looks like you have

1 Shugart - direct
2 your hands full, something along those
3 lines.

4 BY MR. BALBER:

5 Q. To put a finer point on it, was
6 there anything that happened with regard to
7 the image of the Miss Universe organization
8 between the day before the pageant, the
9 Miss USA pageant and the day the discussion
10 broke off with the corporate sponsor other
11 than Ms. Monnin's comments?

12 A. No. That puts a final point on
13 it.

14 Q. Last questions.

15 At the end of this arbitration we
16 are going to be asking for a damages award
17 in excess of \$10 million.

18 Does it matter whether Ms. Monnin
19 has the capability, the economic capability,
20 of paying that kind of award?

21 A. That is not what we are here for.
22 Whether I have heard she has means or not,
23 my -- it does matter to us because these are
24 real damages.

25 And whether she ends up paying, if

1 Shugart - direct

2 you -- we would be -- if there was a
3 finding, yes, what she did, there was a
4 finding against her and Miss Universe, there
5 was a small finding in terms of damages,
6 that is not -- that isn't correct.

7 It sends a message out that if you
8 want to get the fame, if you want to be on
9 the Today show, just go ahead, make a claim
10 against us no matter how wrong it is. You
11 can really walk through unscathed and still
12 get the fame and adulation and everything
13 you sought to get to begin with.

14 There is a clear message that
15 needs to be sent here. You can't just do
16 this and maliciously lie.

17 I think it does -- whether she
18 ends up being able to pay \$10 million
19 doesn't matter to me. The damages are real.
20 What she has done to us is real.

21 MR. BALBER: No further questions.

22 THE ARBITRATOR: Thank you.

23 THE WITNESS: Sorry. I don't --

24 THE ARBITRATOR: I understand the
25 passion.

1 Shugart - direct

2 This is a good time to break?

3 MR. BALBER: If you don't mind we
4 have one witness who has a 1:30 cutoff
5 and he will be 10, 12 minutes and then
6 we will take lunch.

7 (Recess)

8 TAL GOLDHAMER, called as a witness by the
9 Claimant, having been duly sworn,
10 testified as follows:

11 DIRECT EXAMINATION

12 BY MR. BALBER:

13 Q. Good morning -- good afternoon, I
14 guess, Mr. Goldhamer.

15 Where are you currently employed?

16 A. Ernst & Young.

17 Q. What is your position there?

18 A. I am a partner in the financial
19 services practice.

20 Q. What are your everyday
21 responsibilities?

22 A. My clients are financial services
23 clients and I perform audits, independent
24 audits.

25 We are independent auditors so I

1 Goldhamer - direct
2 perform independent audits of financial
3 services-related companies and consulting
4 and advisory services in that same space, in
5 that same financial services space.

6 Q. How long have you been in the
7 accounting, auditing industry?

8 A. About 19 years now.

9 Q. Have you spent all those 19 years
10 at Ernst & Young?

11 A. I have.

12 Q. Are you a CPA?

13 A. I am.

14 Q. Where did you go to school?

15 A. University at Albany, SUNY Albany.

16 Q. What role does Ernst & Young play
17 at the Miss Universe organization pageants?

18 A. There are three pageants. There
19 is the Miss Teen USA, Miss USA and
20 Miss Universe.

21 We are independent accountants so
22 our job is to oversee, supervise, to some
23 extent coordinate, control ballots, tabulate
24 the ballots and ultimately certify the
25 results.

1 Goldhamer - direct

2 Q. How -- for how long has Ernst &
3 Young played this role at Miss Universe
4 pageants?

5 A. To my knowledge it has been since
6 the 1970s. I got involved in May 2000 so I
7 don't have the full knowledge of the history
8 but at least since the early 1970s.

9 Q. You have been doing it since
10 May 2000?

11 A. May 2000, yes.

12 Q. You and Ernst & Young have played
13 this role at all of the pageants at least
14 since May of 2000?

15 A. Correct, yes.

16 Q. Now, we heard testimony from
17 Ms. Shugart that there are two components of
18 the Miss USA pageant.

19 There is the preliminary round and
20 then the final telecast.

21 Are you familiar with that?

22 A. I am.

23 Q. What is Ernst & Young's role with
24 regard to the preliminary round?

25 A. So the preliminary -- I assume you

1 Goldhamer - direct
2 had gone through it but the preliminary
3 round is in this case the 51 contestants
4 would get narrowed down to a population of
5 girls who then compete on the telecast.

6 So our job with the preliminary
7 round is to control, distribute, collect,
8 tabulate the ballots that are cast by a
9 preliminary panel of judges.

10 Q. If I you can direct your attention
11 to what has already been admitted as
12 Exhibits 8 and 9, I will ask you if you
13 recognize Exhibit 8 and Exhibit 9?

14 A. I do.

15 Q. What are those?

16 A. So Exhibit 8 is the detail of the
17 votes of the preliminary judges in all three
18 of the competitions so it is the gown, the
19 swim, the interview and then the summary
20 which is the accumulation of all of the
21 votes in all three of the events.

22 Q. You see a little squiggly on the
23 top of each page?

24 A. I do.

25 Q. What is that little squiggly?

1 Goldhamer - direct

2 A. It is my signature.

3 Q. Do you and Ernst & Young prepare
4 these tabulations that are Exhibits 8 and 9?

5 A. Correct, yes.

6 Q. You then sign them for what
7 purpose?

8 A. I sign them just as a mark to
9 myself that I finished them and that it is
10 the version that I looked at and that I
11 prepared. I prepared these.

12 THE ARBITRATOR: At what point in
13 time do you actually prepare this
14 printout of the tabulation?

15 THE WITNESS: Sure. It varies
16 from show to show but it can only happen
17 after the third event has completed so
18 after the third event has completed I
19 will provide the results to members of
20 management of the Miss Universe
21 organization.

22 I don't recall exactly when I
23 prepared this but it would either be --
24 probably wouldn't have been that night
25 because I probably would do it the next

1 Goldhamer - direct
2 morning or next day, within a day or two
3 that this summary is prepared.

4 BY MR. BALBER:

5 Q. The protocol you use for the
6 preliminaries, is it the same or different
7 as what you do for the final telecast?

8 A. It is -- "protocols" meaning?

9 Q. When you have an accountant and a
10 lawyer it is never going to be easy. Let's
11 do it differently.

12 The process you just described for
13 collecting and tabulating, is it the same or
14 different between preliminaries and final
15 telecast?

16 A. Got it. It is different.

17 Q. Sticking with the preliminaries
18 for a minute, the data is provided to the
19 Miss Universe organization?

20 A. Yes.

21 Q. If you can look at Exhibit 10,
22 what is that?

23 A. Exhibit 10 is a letter from Paula
24 to us, us being Ernst & Young, which are the
25 16 contestants that were selected by the

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1 Goldhamer - direct
2 Miss Universe organization based on the
3 votes that were submitted by the judges
4 tabulated by us and includes selections or
5 adjustments made by the Miss Universe
6 organization as well as I think in this case
7 there was an online fan vote which would
8 have been included here as well.

9 Q. Is that your signature on the top
10 of that page?

11 A. It is, yes. My squiggly.

12 THE ARBITRATOR: When you receive
13 that you confirm that it correlates with
14 how the voting came in?

15 THE WITNESS: Because -- so the
16 answer is, no, because we provide the
17 results of the tabulation of the 51 to
18 members of management.

19 They look at that list and
20 determine whether or not they are going
21 to supplement that list with others.

22 So because they have the
23 discretion our role with the preliminary
24 competition is just to do the tabulation
25 and provide the results.

1 Goldhamer - direct

2 THE ARBITRATOR: Right.

3 THE WITNESS: And members of the
4 management provide us with the list of
5 the 16 that are ultimately going to be
6 competing in the pageant, the telecast.

7 In other words, it is not solely
8 just the judges that determine who the
9 16 are.

10 BY MR. BALBER:

11 Q. Ms. Shugart testified that there
12 is a presentation given to preliminary
13 judges.

14 A. Yes.

15 Q. Are you part of that presentation?

16 A. I am.

17 Q. There is also a presentation given
18 to the girls?

19 A. Yes.

20 Q. Are you part of that?

21 A. Yes.

22 Q. Is the process you have just
23 described for the preliminary competition
24 explained to the girls and the judges during
25 those presentations?

1 Goldhamer - direct

2 A. So the process that I just
3 described is explained to the judges. The
4 girls -- I don't know that it is -- it is
5 probably -- it is a different briefing.

6 What is described to the girls is
7 going to be probably more of a broader
8 because the judges need to know a little
9 more mechanically how it is going to work.

10 The girls have a general
11 understanding and we describe how the
12 interview process will work. That is the
13 one that will affect them the most.

14 Q. The interview process is the first
15 one in the preliminaries?

16 A. Generally, yes.

17 Q. Now we are down to 16 and I think
18 you said the process for the preliminaries
19 differs from the process for the final
20 telecast?

21 A. Correct.

22 Q. Why don't we talk about how the
23 final telecast works?

24 A. Sure.

25 Q. We have 16. What happens during

1 Goldhamer - direct
2 the final telecast from your perspective?

3 A. Broadly speaking, during the final
4 telecast our role is to oversee the voting
5 process, the scoring process, the tabulation
6 of those scores and the delivery of the
7 results of the host who would then announce
8 it on TV.

9 It is different than the Emmy
10 awards or the Grammy awards or the Golden
11 Globe awards where ballots are submitted
12 ahead of time and tabulated in a conference
13 room and the auditors show up with a brief
14 case as you described to the event with the
15 results.

16 Our participation in the pageant
17 is we do the tabulation real time on site
18 during the live television show.

19 Q. How does that actually operate?

20 A. So there is a -- I see you have.

21 Q. That is Exhibit 35.

22 A. -- Exhibit 35.

23 So each of the judges in this
24 case, there were eight judges, they are
25 sitting in front of the stage with terminals

1 Goldhamer - direct
2 that look like this.

3 The terminals turn on at strategic
4 points during the show, three points during
5 the show where the judges are voting and the
6 judges would enter their scores into these
7 terminals.

8 As they are entering their scores
9 into the terminals there is a computer
10 system where we are sitting. There is
11 computer operators, there is my team. We
12 are seeing the scores come in.

13 So as Judge 2 is entering 8.50 we
14 see under Judge 2, you see the 8, the 5, the
15 zero show up as they are typing it in and
16 the votes are sent to the computer system
17 where we are sitting, basically
18 instantaneous, and three points during the
19 show those votes are coming in and we are
20 looking at the votes, we are recalculating
21 the votes using an Excel spreadsheet that we
22 have and certifying the results and then
23 ultimately preparing cards that are
24 delivered to the hosts.

25 Q. When you say "recalculating the

1 Goldhamer - direct
2 results," what do you mean by that?

3 A. The computer is doing a
4 calculation automatically. It is taking the
5 votes being entered into and it is
6 calculating the average score for each
7 contestant and then ranking the contestants
8 in descending numerical order.

9 Me and my team, we are taking the
10 votes as they are coming in and we have a
11 separate set of calculations that are
12 independently calculated to see that we are
13 getting the exact results as the computer
14 and also doing a sort to seeing that we have
15 the same descending sort as the computer
16 came up with.

17 Q. When the data is entered by the
18 judge on the key pad does it go anywhere
19 else other than to your secure computer?

20 A. No.

21 Q. Other than the Ernst & Young team
22 and the computer technicians does anyone
23 else have access to that data when it is
24 coming in?

25 A. No.

1 Goldhamer - direct

2 Q. Do the judges -- are the judges
3 aware of what their fellow judges are
4 voting?

5 A. They are told to not -- to the
6 extent that a judge can look over and see
7 another judge's terminal there is nothing
8 that prevents them from craning their neck
9 and seeing it but, generally speaking, the
10 show is moving at a very quick pace, the
11 lights are not necessarily conducive to
12 being able to see what all the other judges
13 and they are physically spread apart so the
14 answer is, it is a possibility but unlikely
15 that they are really keeping track of it.
16 It is moving too quickly.

17 Q. If there are eight judges and they
18 are spread out maybe one judge would see
19 what the person next to him is doing but not
20 what the other seven are doing; correct?

21 A. Correct. There is blinders like
22 you put on a horse, of course, blinders on
23 the actual terminals so a judge can -- not
24 on the judges, on the terminals. If you saw
25 a picture of the terminal you would see

1 Goldhamer - direct

2 there are blinders that come out of the
3 side, left and right.

4 Q. So?

5 A. Strike that horse thing.

6 Q. So you mentioned, create a
7 spreadsheet?

8 A. Yes.

9 Q. I think you said create cards.

10 A. Yes.

11 Q. What do those two aspects of the
12 process entail?

13 A. We have spreadsheets that we have
14 prepared ahead of time.

15 Those spreadsheets have formulas
16 in them. Those formulas run the math for
17 any particular event so, for example, the
18 three events, there are swimsuit, evening
19 gown and final ranking for the swimsuit. We
20 have a template where scores are entered
21 into and they are -- calculations are
22 happening real time automatically by our
23 spreadsheets.

24 We, at the end of the competition,
25 in the swimsuit competition, once the 16

1 Goldhamer - direct
2 girls have competed we determine who the top
3 ten are, seeing what the computer came up
4 with, looking at what we and my team came up
5 with, compare the two, determine who the top
6 ten are and prepare a card, a 5" by 7" card
7 that will ultimately have a set of labels
8 because we have labels prepared in advance.

9 It is much easier to take a
10 sticker that says Minnesota and stick
11 Minnesota on to a card than to write out
12 Minnesota.

13 We have labels prepared in advance
14 and they go onto a card. Those cards are
15 then delivered to the host generally in the
16 nick of time for them to announce it on TV.

17 Q. Let me show you what we will mark
18 as Exhibits 36, 37 and 38.

19 Tell me if you recognize these
20 exhibits.

21 A. It is a scan. Yes.

22 Q. Exactly.

23 What are 36, 37, 38?

24 A. So it is basically the front and
25 back of these cards which are cards that we

1 Goldhamer - direct

2 use to deliver the results to the hosts.

3 Q. Can we actually have those
4 originals? Do you mind?

5 A. Sure. That is fine.

6 Q. We will make these 36, 37 and 38.
7 These are prepared in advance?

8 A. The blind cards are, yes.

9 Q. When do they get filled in?

10 A. During the actual show.

11 So thrce points during the show we
12 have -- the first point is after the
13 swimsuit competition when we know who the
14 top ten are, we fill out the 16 to 10 card,
15 when we have the ten that compete in the
16 evening gown and we determine who the top
17 five are, fill out the 10 to 5 card and
18 ultimately when we get the final results of
19 the final ranking of the five remaining
20 contestants we fill out that last card.

21 Q. When you say "we," who does the
22 filling out?

23 A. The stickers are all managed by me
24 but my team helps me. It is a
25 collaborative. I need Minnesota and my

1 Goldhamer - direct

2 person with me will hand me the Minnesota
3 sticker.

4 Q. Let's go through this step by
5 step.

6 If you would take a look at
7 Exhibit 11 in your book?

8 A. Sure.

9 Q. What is Exhibit 11? We heard
10 testimony from Ms. Shugart about it but if
11 you can give us your perspective?

12 A. Sure.

13 Exhibit 11 is the dot matrix
14 printout of the scores of the 16 contestants
15 who competed in the swimsuit competition
16 during the telecast.

17 Q. This is a dot matrix printer?

18 A. It is, yes.

19 Q. Why is that?

20 A. It is interesting. A laser
21 printer can't print out line by line so they
22 have designed the computer system such that
23 after each girl competes, in the event of a
24 computer failure, after each girl competes,
25 her scores, the individual scores, show up

1 Goldhamer - direct

2 on a piece of paper.

3 If we had to go to manual
4 calculations we have it captured on a piece
5 of paper outside of the computer, assuming
6 the computer has gone down, we would have
7 the printouts of however many girls had
8 already competed.

9 Q. That is your signature at the top
10 of the page?

11 A. It is, yes.

12 Q. Is that your handwriting on the
13 lines?

14 A. Unfortunately, it is, yes.

15 Q. This is the result of the first
16 element which is swimsuit?

17 A. The first competition, yes.

18 Q. When does the Miss Universe
19 organization see this Exhibit 11?

20 A. Exhibit 11, usually within a week
21 or two after -- this piece of paper you are
22 asking?

23 Q. Yes.

24 A. Usually a week or two so we get
25 back from the show and it takes me a handful

1 Goldhamer - direct
2 of days to put together the actual file that
3 I will hand over to them, the printed copy
4 of it.

5 Q. So we go from 16 to 10. And what
6 do you do with the list of ten once it is
7 tabulated?

8 A. So once the list of 10 is
9 tabulated I would prepare this card which is
10 Exhibit -- I am not sure.

11 Q. 36.

12 A. So I would use the labels that we
13 had printed in advance. I would stick the
14 ten contestants who made it to the top ten
15 in a random order on to this card.

16 Q. Why do you do it in a random
17 order?

18 A. Because I think part of it is
19 there might be fan favorites and you don't
20 want to put the girls who are the fan
21 favorites always as the first ones because
22 it just becomes predictable for the
23 audience.

24 I say random order. It is
25 probably haphazard. There is not a lot of